

SENATE MOTION

MR. PRESIDENT:

I move that Senate Bill 199 be amended to read as follows:

1 Page 2, after line 10 , begin a new paragraph and insert:

2 “SECTION 2. IC 20-5-64.1 IS ADDED TO THE
3 INDIANA CODE AS A **NEW** CHAPTER TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2001]:

5 **Chapter 64.1. School Corporation Retirement or**
6 **Severance Plan Bond Funding Prior to June 30, 2001.**

7 **Sec. 1. This chapter applies to a school corporation that:**

8 **(1) prior to June 30, 2001, established a retirement or**
9 **severance plan that requires the school corporation to pay**
10 **post-retirement or severance benefits to employees of the**
11 **school corporation; or**

12 **(2) included in a collective bargaining agreement or**
13 **other contract entered into prior to June 30, 2001, any**
14 **provisions to increase:**

15 **(A) the benefit; or**

16 **(B) the unfunded liability;**

17 **under any retirement or severance provision that**
18 **requires the school corporation to pay post-retirement**
19 **or severance benefits to employees of the school**
20 **corporation.**

1 **Sec. 2. In addition to the purposes set forth in section 1 [IC**
2 **20-5-4-1] of this chapter, school corporations may issue**
3 **bonds to implement solutions to contractual retirement or**
4 **severance liability. The issuance of bonds for this purpose**
5 **is subject to the following limitations:**

6 **(1) A school corporation may issue bonds for the**
7 **purpose described in this section only one (1) time.**

8 **(2) The solution to which the bonds are contributing**
9 **must be reasonably expected to reduce the school**
10 **corporation's existing unfunded contractual liability for**
11 **retirement or severance payments, as of June 30, 2001.**

12 **(3) The amount of the bonds that may be issued for the**
13 **purposes described in this section may not exceed two**
14 **percent (2%) of the total assessed valuation of property**
15 **in the school corporation.**

16 **(4) Each year that a debt service levy is needed under**
17 **this section, the school corporation shall reduce its total**
18 **property tax levy for the school corporation's**
19 **transportation, capital projects, or art association and**
20 **historical society funds in an amount equal to the**
21 **property tax levy needed for the debt service under this**
22 **section. The property tax rate for each of these funds**
23 **shall be reduced each year until the bonds are retired.**

24 **Sec. 3. Bonds issued for the purposes described in this**
25 **section shall be issued in the same manner as other bonds of**
26 **the school corporation but are not to be considered as**
27 **"bonds" within the meaning of IC 6-1.1-20-1.**

1 **Sec. 4. Bonds issued under this section must be issued**
2 **before January 1, 2003.”.**

(Reference is to SB 199 as printed February 9, 2001.)

Senator ALEXA